1	2	3	4	5	6	7	8
Woven O-E Yarn Fabric		0.077	0.097	0.127	0.062	0086	0.060
	6%	12%	12%	16%	13%	13%	8%
Woven Textured Yarn		0.072	0.089	0.300	0.055	0.075	0.247
Fabric	6%	14%	15%	28%	10%	12%	27%

(Source:-Tables 66, 67 and 73 of Compendium of International Textiles Statistics 2004
Published by the O/o the Textile Commissioner, Mumbai.)

(e) Since the technology level of the weaving segment of Indian Textile Industry is low compared to other countries, the cost of power as a percentage of total cost of fabric production is also higher in the country.

Action on representation by Indian Cotton Mills Federation

392. SHRI K. RAMA MOHANA RAO: Will the Minister of TEXTILE be pleased to refer to reply to Unstarred Question 1686 given in the Rajya Sabha on 17th December, 2003 and state the action taken by the Ministry on the representation received from the Indian Cotton Mills Federation?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): As per the Budget 2004-05 presented in the Parliament on 8.7.04, the duty structure of textiles has been completely revised. The CENVAT Scheme for textiles has been made optional and there will be mandatory duty only on man-made fibres/yarns *{i.e.,* 24% on Polyester Filament Yarn (PFY) including textured yarn and 16% on all other filament yarns and man-made fibres). Except for these duties other textile goods will be fully exempt if no credit of duties is taken under the CENVAT Credit Ruels. For those opting to pay the duty and thereby avail of duty credit, the applicable rates of duty will be 4% for pure cotton textile items *(i.e.,* yarn, fabrics, garments and made-ups) and 8% for other textile items including yarn, fabrics, garments, and made-ups. Besides, Additional Duty on Textile and Textile Articles (AT & T) and Additional Excise Duty in lieu of Sales Tax for goods of special importance have been abolished.

Steps for smooth running of Textile Industry

†393. SHRI ISAM SINGH: Will the Minister of TEXTILES be pleased to state:

(a) the number of textile industries closed in India; and

† Original notice of the Question was received in Hindi.

(b) how Government propose to ensure smooth running to textile industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) As per the information obtaine from the Office of the Textile Commissioner, Mumbai, 472 cotton/man-made fibre textile mills (Non-SSI) (378 spinning and 94 composite mills) were lying closed in the country as on 31.05.04.

(b) The Government seeks to foster a policy regime, which facilitates growth and development of Indian industry. It has taken a number of steps for revival of sick industrial units which, *inter-alia,* include, guidelines of the Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, etc. The Reserve Bank of India has been issuing from time to time elaborate guidelines covering all areas of industrial rehabilitation *viz.* detection of industrial sickness at incipient stage, identification of sick/weak units, carrying out viability study of the units then extending relief and concessions to only viable units, co-ordination among banks and financial institutions and banks themselves, norms for promotor's contribution, extended period for repayment/rescheduling of loans, conversions and waiver of penal rate/compound interest, etc.

Taking note of challenges posed by changing global economic environment, the Government announced the National Textile Policy in November 2000 and has taken various initiatives to strengthen and to ensure smooth running of the Indian textile industry. Some of the important initiatives taken include:

(i) Rationalisation of fiscal duty structure so as to attract investment and modernisation.

(ii) Launching of the Technology Upgradation Fund Scheme (TUFS) to facilitate the modernisation and upgradation of the sector;

(iii) For accelerating modernization of the powerlooms segment of the textile industry, 20% Capital assistance is available on investment in TUFS compatible specified machinery subject to a ceiling of Rs. 12 lakh on amount of assistance;

(iv) Annoncement of a package for restructuring of debt portfolios

of potentially viable textile units having debt exposure of Rs 2 crore and above;

(v) Dereservation of the woven segment of readymade garment from the SSI sector. The SSI investment limit for knitted/hosiery segment increased from Rs. 1 crore to Rs. 5 crore.

(vi) With a view to making textile production competitive, the custom duty on various capital goods brought down from 25% to 5%;

(vii) A centrally sponsored scheme titled "Apparel Park for Export Scheme" launched for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports;

(viii) For upgrading infrastructure facilities at important textile centres, a scheme "Textile Centre Infrastructure Development Scheme" (TCIDS) has also been launched;

(ix) Cotton Technology Mission launched to improve the productivity and quality of cotton;

(x) Imposition of a combination of *ad-valorem* and specific duty on "whichever is higher basis" on import a number of textile items to safeguard the interest of domestic industry;

(xi) The facility of accelerated depreciation at the rate of 50% extended to weaving, processing and garment machinery, which are covered under TUFS. Cost of machinery has also been reduced through reduction in customs duty and abolition of excise duty on certain specified machinery items;

(xii) For boosting exports of textile and clothing Government provides financial assistance to Textile Export Promotion Councils under Marketing Development Assistance (MDA) Scheme;

(xiii) Close monitoring of imports on regular basis so as to ensure that imports do not cause any serious detriment or injury to the domestic industry. In case any unfair trade practices come to the notice, action, if necessary, under WTO provisions are taken;

(xiv) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training and Design Centres (ATDC) are running various courses/programmes to meet skilled manpower

requirements of textile industry especially apparel in the field of design, merchandising and marketing;

(xv) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries;

(xvi) 100% Foreign Direct Investment permitted through automatic route in the textile sector with certain exceptions; and

(xvii) Refund of taxes and duties on exports through drawback route.

Dismantled quota system for textiles

394. SHRIMATI N.P. DURGA: Will the Minister of TEXTILES be pleased to state:

(a) how Government propose to bring reforms in textile sector to grab the dismantled quota system which will become operational from 2005;

(b) what measures Government have taken or porpose to take to increase exports to the level of $ 25-30 billion from the present $ 12 billion by 2013;

(c) whether Government propose to dereserve knitted and hosiery sectors from the small scale sector as a part of this; and

(d) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) To strengthen domestic textile industry for meeting the growing global competition, the following important announcements has been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.
- Additional Excise Duty on Textiles and Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.
- Basic customs duty on various textile machinery and spare parts has been reduced to 5%.